

- [HB 30](#) – Public Transit Districts Annexation Amendments
- [HB 136](#) – County Option Sales and Use Tax for Highways, Fixed Guideways, or Systems for Public Transit
- [HB 221](#) – Extending the Sales and Use Tax Exemption for Pollution Control Facilities
- [HB 271](#) – Airport to University of Utah Light Rail Restricted Account Amendments
- [HB 294](#) – County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities Amendments
- [SB 17](#) – Sales and Use Tax - Exemption for Semiconductor Fabricating or Processing Materials
- [SB 23](#) – State and Local Taxes, Fees, and Charges Related to Telecommunications
- [SB 147](#) – Streamlined Sales Tax Project Amendments
- [SB 213](#) – Amendments to Sales and Use Tax (Cable and Satellite Providers)
- [HB 249](#) – Sales and Use Tax - Location of Transactions (2002 session)
- [SB 174](#) – Sales and Use Tax - Exemption for Semiconductor Fabricating or Processing Materials (2001 session)

### **HB 30 Public Transit Districts Annexation Amendments**

Utah Code 17B-2-510, 17B-2-512, 59-12-501 **Effective Date May 5, 2003**

Requires counties, cities, and towns to obtain voter approval to incorporate a public or mass transit district in which a sales and use tax is imposed to fund the public transportation system.

### **HB 136 County Option Sales and Use Tax for Highways, Fixed Guideways, or Systems for Public Transit**

Utah Code 59-12-1501 through 1503, 75-2-121.1 **Effective Date April 1, 2004**

Authorizes qualifying counties, by voter approval, to impose a .25% local option sales and use tax beginning on or after 4/1/04 for highways, fixed guideways, or systems for public or mass transit. To qualify, a county, or a city or town within that county, must have no “additional public or mass transit tax.” Currently, only Davis, Salt Lake, and Weber counties impose the “additional .25% mass transit tax.” Therefore, as an example, these counties, or cities or towns within these counties, may not impose the tax.

This county option tax does not qualify for a vendor discount (Utah Code §59-12-108(3)).

### **HB 221 Extending the Sales and Use Tax Exemption for Pollution Control Facilities**

Utah Code 19-2-124, 19-2-125; Administrative Rule R865-19S-83 **Effective Date May 5, 2003**

Extends the expiration of the sales and use tax exemption to create, construct, or install a pollution control facility from June 30, 2004 to June 30, 2009.

### **HB 271 Airport to University of Utah Light Rail Restricted Account Amendments**

Utah Code 17A-2-1064, 59-12-204, 59-12-205 **Effective Date May 5, 2003**

Stops the deposit of 1/64% of local sales and use tax revenues into the Airport to University of Utah Light Rail Restricted Account. Requires the Division of Finance to distribute remaining funds to municipalities that have a portion of the rail constructed within their boundaries by June 30, 2003.

### **HB 294 County Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities Amendments**

Utah Code 59-12-701 through 704 **Effective Date July 1, 2003**

Modifies the formula by which counties allocate and distribute sales and use taxes collected under this section to ensure adequate and predictable support to a fixed number of organizations. The bill also expands the potential recipients of such funding.

### **SB 17 Sales and Use Tax - Exemption for Semiconductor Fabricating or Processing Materials**

Utah Code 59-12-104 **Effective Date May 5, 2003**

Extends the exemption for a sale or lease of semiconductor fabricating or processing materials from June 30, 2004 to June 30, 2007. Also see [2001 SB 174](#) which increases the amount of the exemption.

### **SB 23 State and Local Taxes, Fees, and Charges Related to Telecommunications**

Utah Code 10-1-203, 10-1-401 through 410, 11-26-1, 59-1-403, 59-12-102, 59-12-207, 69-2-5, 69-2-5.5, 72-7-102 **Effective Date July 1, 2003**

Modifies Utah Municipal Code (§10-1-203) which pertains to licensing fees and taxes imposed by

cities and towns to enact the *Municipal Telecommunications License Tax Act* (§10-1-401 to 10-1-410) and amends the Emergency Telephone Service Law (69-2-5).

1. Beginning 7/1/04, the act allows a city or town to levy and collect a *Municipal Telecommunications License Tax* by ordinance and repeals the authority of a city or town to impose the current \$1 mobile phone tax and telephone franchise tax. The Tax Commission is charged with collecting, enforcing, and administering the tax.

1. The *Municipal Telecommunication License Tax* is based on a telecommunications provider's gross receipts from telecommunication services attributed to a municipality.

2. The rate of the license tax imposed may not exceed 4%.

3. The provider may recover the tax from customers within the municipality by separately identifying the charges on billing statements. If a provider does not separate charges for telecommunications from nontelecommunications services on a billing statement, all items are taxable.

4. Both municipalities and telecommunications providers must report the amount of tax collected and the gross receipts for services from 7/1/03 to 12/31/03 to the Tax Commission by 1/31/04. A report will be prepared for the Legislature by 2/16/04.

5. Beginning 7/1/03, the Tax Commission is charged with collecting, enforcing, and administering 911 emergency telephone service fees levied on each local exchange service switched access line and revenue-producing radio communication access line within the boundaries of a county, city, or town which provides the service.

The **location of a transaction for telephone service** will be determined by the nine-digit zip code of the residential or primary business street address of the purchaser. If a zip code is shared by a county, city, or town, the lowest combined tax rate will apply. The

**location of a transaction for mobile telecommunication service**

will be determined by the "place of primary use" of the transaction and to the extent as defined in the

*Mobile Telecommunications Sourcing Act*

, 4 U.S.C. Sec. 124 (

[click here](#)

to read section of U.S. Code).

A municipality may only implement, change, or repeal the license tax or 911 fee on the first day of a calendar quarter and after a 75-day period beginning on the date the Tax Commission was notified.

## **SB 147 Streamlined Sales Tax Project Amendments**

**Amends Utah Code** 10-1-304 & 307, 17A-2-1064, 59-1-403, 59-12-102 to 59-12-108, 59-12-110, 59-12-113, 59-12-115, 59-12-117, 59-12-204, 59-12-205, 59-12-208.1, 59-12-210, 59-12-301, 59-12-302, 59-12-354, 59-12-355, 59-12-401 to 59-12-403, 59-12-501, 59-12-502, 59-12-504, 59-12-603, 59-12-703, 59-12-802, 59-12-804, 59-12-806, 59-12-901, 59-12-902, 59-12-1001, 59-12-1102, 59-12-1302, 59-12-1402 (click here to view Title 59, Chapter 12);

### **Enacts Utah Code**

59-7-614.1, 59-10-134.1, 59-12-102.1, 59-12-107.1, 59-12-107.2, 59-12-107.3, 59-12-110.1, 59-12-121, 59-12-207.1, 59-12-207.2, 59-12-207.3 to 59-12-207.5, 59-12-356, 59-12-404, 59-12-505, 59-12-604, 59-12-706, 59-12-807, 59-12-1003, 59-12-1103, 59-12-1303, 59-12-1404;

### **Repeals Utah Code**

§59-12-207

**Effective Date July 1, 2004**

To simplify and modernize Utah's sales and use tax taxes and to reduce the burden of compliance for all sellers and all types of commerce, the Tax Commission is authorized to enter into an agreement with one or more states to establish uniform standards. The *Streamlined Sales and Use Tax Agreement* will amend and modify Utah Tax Code, Title 10, Part 3, of the *Municipal Energy Sales and Use Tax Act* and Title 59, of Revenue and Taxation, which contains Utah's *Sales and Use Tax Act*.

The amendments provide for a refundable income tax credit for certain purchases made on or after July 1, 2004, that are effective 1/1/2004. For taxable years beginning on or after January 1, 2004, a taxpayer may claim a refundable income tax credit against sales and use tax paid in an amount equal to the amount of income tax paid for:

- hand tools with a unit price of \$250 or more;
- used primarily and directly in a farming operation in this state; and
- purchased on or after July 1, 2004.

The credit may not be carried forward or back and taxpayers must retain a copy of the purchase receipt to show the amount of tax paid for record keeping purposes.

### **SB 213 Amendments to Sales and Use Tax (Cable and Satellite Providers)**

Utah Code 59-12-102, 59-12-103 **Effective Date July 1, 2003**

Taxes the purchaser for amounts paid for multi-channel video and audio services provided by a multi-channel video or audio service provider within the state and to the extent permitted by federal law. The provider or seller of services is responsible for accounting, collecting, reporting, and remitting the tax to the Tax Commission.

The transaction of a sale for multi-channel video or audio service takes place at the delivery location for which a person or entity contracts with the provider. The nine-digit zip code of the customer's "place of primary use" shall determine the delivery location for taxing purposes.

A "multi-channel video or audio service provider" is defined as any person or group of persons that:

1. provides multi-channel video or audio service and directly or indirectly owns a significant interest in the multi-channel video or audio service; or otherwise
2. controls or is responsible through any arrangement, the management and operation of the multi-channel video or audio service.

Providers include the following except those specifically exempted by state or federal law:

1. a cable operator;
2. a CATV provider;
3. a multi-point distribution provider;
4. a MMDS provider;
5. a SMATV operator;
6. a direct-to-home satellite service provider; or
7. a DBS provider.

Federal law prohibits localities within states from taxing "direct to home" satellite services. This means that satellite service provided to homes (residential) can only be subject to the state tax and not any of the local taxes.

**(2001 Legislation) SB 174 Sales and Use Tax - Exemption for Semiconductor Fabricating or Processing Materials**

Utah Code 59-1-403, 59-12-102, 59-12-104, 59-12-105 **Effective Date January 1, 2003**

Legislation in 2001 created an exemption for semiconductor materials that was to be phased in over a three-year period. From 7/1/03 to 6/30/2004, 100% of a qualified sale or lease of semiconductor fabricating or processing materials is exempt. Also see [SB 17 \(2003\)](#) which extends the sunset date of this exemption.